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SCHAKOWSKY, BERRY, ALLEN INTRODUCE THE MEDICARE PRESCRIPTION DRUG SAVINGS AND CHOICE ACT OF 2004

WASHINGTON, D.C. - U.S. Representative Jan Schakowsky (D-IL) today joined U.S. Representatives Marion Berry (D-AK), Tom Allen (D-ME) and others to introduce legislation that would lower prescription drug prices for seniors and persons with disabilities.

Schakowsky and her colleagues introduced the Medicare Prescription Drug Savings Act. The legislation will provide Medicare beneficiaries with greater choice, lower drug prices, the guarantee of uniform prescription drug benefits, and an important new choice - the ability to enroll in a Medicare-operated plan.

Schakowsky said that, under the legislation, the Medicare-operated plan will be able to obtain lower drug prices because it can use its bargaining power to negotiate for discounts, like the VA. Medicare can use the savings to fill in the coverage gap or donut hole.

"The bill gives seniors what they want - lower cost prescription drugs provided through Medicare and gives taxpayers the best deal by requiring Medicare to negotiate for the deepest discounts, much like the VA," said Schakowsky, a member of the Energy and Commerce Committee.

The Medicare Prescription Drugs Savings Act instructs the Secretary of HHS to:

- Offer a nationwide Medicare-delivered prescription drug benefit in addition to the private drug plans (PDPs) and PPO plans available in the ten regions.**
- Negotiate group purchasing agreements on behalf of beneficiaries who choose to receive their drugs through the Medicare-administered benefit.**
- Provide a uniform, national drug benefit that will guarantee an initial monthly premium of \$35 a month.**

Schakowsky added that the beneficiaries won't be forced to change plans if private drug plans move in and out of the market, as private Medicare HMOs have done over the past several years, leaving 3 million beneficiaries scrambling to find new coverage.

"Snowbirds" or other beneficiaries who move during the year could also stay in the same plan and have continuity of benefits.

The federal government currently uses its bargaining power to negotiate best prices. Through the Federal Supply Service, for example, government agencies and departments have access to more than 4 million products and services. They include:

- Cars and trucks**
- IT Products**
- Tools**
- Appliances**
- Lawn and garden equipment (Mowers, Tractors, Chain Saws, Cattle Guards)**
- Paints**
- Furniture**
- Airline, bus, rail, hotel and car rental services**